

Keynote Address by

Hon. Alexander Karsner, Asst. Secretary of Energy to Powergen Renewables

Thank you for that warm welcome. My wife took one look at my itinerary and asked, “Why would anyone spend almost 15 hours in transit for a 15 minute speech?” I see so many friends here. There is no place in the world that I would rather be for my first public address than here amongst my ACORE colleagues and energy industry peers. Instead of a debut, this more like a homecoming of sorts.

It’s wonderful to be here with you in Las Vegas. My wife and I love Las Vegas, which is actually somewhat strange, because neither of us actually gamble, nor do we drink much. Still, it is unique in so many ways and uniquely American by birthright. Carved out of the waterless desert, it has evolved to become a neon, energy-intensive oasis tailored to leisure and whimsy and on-call, 24-7.

The truth is, the only reason we ever have occasion to spend time here is because it is the logistical hub of some of our favorite playgrounds on earth. And so we have made many memories emerging from treks through the gorges in Zion or Bryce Canyon and cooling our heels poolside in the company of pink flamingos and white tigers. Only in America can one appreciate the variety and juxtaposition of camping under a canopy of stars alongside red rock canyons or Death Valley’s dunes, then within a few hours drive, be watching people at play alongside robotic Romans and tourist replicas of Paris, Venice, Cairo and New York.

We are fortunate to have a very diverse group of friends who enjoy both environs. Yet, from time to time, we hear folks speak disdainfully of those who prefer the great outdoors to the urban nightlife or vice versa. Our view is that we cherish the very coexistence and diversity that this spectacular city and region represent--where some of the most creative works of man are married together with some of the grandest work of creation—because it is emblematic of Enjoying Life, thriving upon Liberty, and the opportunity to Pursue Happiness as one sees fit.

I have only held this post for a couple of weeks, and so mercifully, I am happy to report that I have yet to become a bureaucrat! Many of you know me and you know my background and my ambitions; it is similar to your own. My purpose today is to give voice to our mutual aspirations, to share some early perspective on the task ahead, and to explore how we might together make an impact on preserving for future generations those things we hold dearest; those things that are our birthright as Americans: Life, Liberty, and the Pursuit of Happiness.

Perhaps we take these things for granted, perhaps we do not reflect on them enough. But as I parse the magnitude of our challenge, I am motivated by these principles and the bigger picture.

The facts are unpleasant realities:

We are a nation at war.

Our earth is warming.

Carbon emissions and greenhouse gases are impacting air quality and the environment.

America is addicted to oil.

And so, ironically, even as we find ourselves at the dawn of a new millennium, with numerous indicators of extraordinary economic growth, record low unemployment, record homeownership, and record rates of productivity, there remains a seething sense of anxiety in the land.

Personally, the unusually heightened sense of concern I felt when I watched those towers fall on that balmy day nearly five years ago has never fully gone away, and I see no sense in suppressing it now.

We are at war. Fortunate though we are to live in a nation that can protect and insulate itself from the harshest realities of the battle, it is not possible for me to grow up in a military family and not be constantly cognizant of our countrymen in harm's way.

This particular war has been a part of my life for a long time, and I was in its path long before it came to our shores. It was with me in the lawlessness of Karachi, where a dialogue with utility officials might be suspended to find a new counterpart to replace the manager riddled with bullets. It was with me in Casablanca, when female employees would arrive with inexplicable bruising, and explain how I would not understand "because of culture." And it is with me now, as I look to my children nightly, and say to myself with determination that they shall inherit the American Dream that has touched us all, and that we owe them a plan for victory, a path to peace, and a better, healthier, and cleaner world.

The Moroccan and Pakistani and Muslim people I have known from all parts of the world are amongst the kindest and most hospitable people on earth. They too dream of peace and happiness for their families. But they live daily in apprehension and fear from well-funded, militant, and ignorant fundamentalism that dwells like a cancer in their midst.

No one lives with these realities daily nor understands them more intimately than the President of the United States.

It is of course a great personal honor for me and my family that he chose to select a renewable energy developer for this post, but have no doubt—it is a tribute to this great community of risk-takers, doers and dreamers, of which I am proud to be a member.

Both the President and Secretary Bodman recognize that we cannot afford to divorce science from commerce; innovation from entrepreneurship. Neither carefully crafted

mandates, regulatory inducements, nor research alone can deliver to us the goals for which the Department of Energy was originally established.

As the legacy of great American energy pioneers like Franklin and Edison and Einstein would dictate, “Necessity is the Mother of Invention.” Combining scientific inquiry with commercial creativity remains the most powerful force for transformational change available to address the substantial needs with which we are confronted.

The brilliant people with whom I am privileged to work beside at the Department of Energy know these urgent needs inspire my rallying cry to unite folks inside Washington and around the country; inside America, and around the world.

We must take our clean energy technologies and replicate, proliferate, and accelerate.

There is no time to waste and no time for small thinking. We know where these train tracks are heading and we know the destination we must reach. The only question is the rate of speed we are moving and what will be the ultimate cost of the ticket?

The way I see it, the people in this Hall are the locomotives of change and the role of government is to clear the way, get the rocks off the rails, and ensure maximum velocity. We have an obligation to steward both hardware AND policy.

Policy with predictability, transparency, longevity; policy conducive to capital formation that continuously cultivates market expansion of clean, green, domestic sources of power generation and fuels for transportation. All the while we must be relentless in attacking inefficiency and waste for its insidious and undermining impact on our national aspirations.

We must do these things and more, at the fastest possible rate of market penetration, and government must be both realistic and relevant in its role.

In short, we owe it to you, the leaders in the private markets, to update and redefine ourselves. We cannot perpetuate the delusion that government is leading the markets; nor should we distract ourselves with the unrealistic and ineffective ambitions of a command and control economy. If government is not leading in the traditional sense (when it represented more than 90% of the capital invested in renewable energy 30 years ago) then what precisely is it doing (now that it is less than a fraction of a percent)? Lagging by default?

It is our objective at the Department of Energy that we should increasingly become more agile, more attuned, more iterative and catalytic. In doing so, we can exert leadership that clearly seeks achievable goals, is unafraid to enter the fray, and continuously “moves the scrum” down the field.

That is why I am proud to embrace Phase II, not merely as a milestone, but as a battle plan by which we can achieve great things together.

Maximizing energy efficiency and renewable energy IS the domestic epicenter in the War on Terror and it is imperative that we maximize the partnerships between the public and private sectors in new and creative ways with a sense of seriousness, national purpose and the urgency the situation merits.

If your business is wholly dependent upon the federal government, or the Department of Energy in particular, based on the conventional definition of public-private relations that has evolved over the years, then it is unlikely this address is directed at you.

With 34 months to pursue the President's Advanced Energy Initiative and implement the Energy Policy Act and make ourselves relevant and supportive to the forces of free enterprise, there is no time for systemic "business as usual."

That is why last week, when I was in Detroit with the Secretary, he told the auto industry in no uncertain terms, "More needs to be done." "We need to have more flex fuel vehicles on the market of ALL vehicle types and classes and we need to have them available from all manufacturers who serve the US market." "We must continue to encourage the exponential expansion in the supply of ethanol available."

Secretary Bodman understands we are in a new phase, and he has tasked me with convening the parties who can enable these goals.

When the President of the United States personally visits a solar manufacturing facility to announce millions of dollars in increased funding aimed at changing "the way we power homes and lead our lives," you can be assured he understands you.

When the President personally takes interest in the development cycle of battery storage for plug-in hybrids and electric vehicles, he clearly seeks to inspire a bigger picture.

When President Bush declares that wind power could provide up to 20% of our national generation capacity, you can be certain his vision is both exciting and real.

President Bush is challenging us to come together, in the finest tradition of our nation's history, and lift the veil of doubt and misfortune to uncover the great landscape of opportunity that lies before us.

This crowd is sophisticated and you have already analyzed the programmatic features of the Advanced Energy Initiative, but I want to share with you its essence, because that will motivate and define our productivity and progress in the months ahead.

The President's Advanced Energy Initiative is about so much more than the placement of research dollars and voicing distant dreams. The Advanced Energy Initiative, as I understand it and intend to pursue it, is nothing less than a Vision for Victory.

Victory over an enemy that would kill you or me for little more than the eagle embossed upon our passport.

Victory over reliance on unstable regimes and ideologies that are hostile to our way of life and bent on leveraging petroleum to erode our economic well-being.

Victory over anxiety and misplaced fears that we are passive and helpless to better this nation and better our planet.

And more than a Vision for Victory alone, the Advanced Energy Initiative and all the change we shall derive from it is the imminent pathway to a durable peace.

A peace, in which my children and yours can decide whether they want to scale the High Sierra or take their turn at roulette, or travel the world and explore or raise a family in a quiet suburb. These things we hold in common and we owe to one another to pursue: Life, Liberty, the Pursuit of Happiness.

These things we have inherited from the sweat and battles of generations past; these things we must and will preserve.

The Advanced Energy Initiative is about unity, security, liberty, and the better world our children are due.

I need your help. All of you--people from all places, people of all parties, people of goodwill. I need your energy and enthusiasm for this cause to be infectious and unrelenting. I need your partnership and your support and your leadership to overcome outdated thinking, bureaucratic and systemic obstacles and to redefine the interaction between the public and private sectors.

I am asking you today to take this message to Capitol Hill and to the far corners of the country, to rise to the President's challenge, to rise above the conventional and insist on making a real difference in the way things are done.

With your help and God's grace, we can use these precious months ahead to lay the foundation for a permanent new direction in which America rightfully regains control of energy security and steers its economic destiny.

We will not finish all that must be done during my term, but I am confident it will be said: At the dawn of the third American Century, talented and committed people of goodwill came together, and we made a vigorous start.

From the bottom of my heart, thank you for who you are; what you do; and what you WILL do win the peace, clear the air, and demonstrate the great capacity of America to confidently confront our challenges and emerge better for it.

Enjoy Las Vegas. Use your time here to learn from one another's ideas and approaches, encourage new thinking, and inspire one another.

You are my inspiration—patriots with an uncommon passion and persistence for doing the right thing--and I shall work tirelessly to advance your efforts, on behalf of a President who advocates your goals and a nation that awaits your results.

Thank you for having me. I wish you courage and good luck in all your endeavors.